General Information

Prior authorization (PA) is approval of coverage of Wisconsin Medicaid services granted by the Department of Health and Family Services (DHFS) before the provision of the services.

If the provider delivers a service that requires PA without first obtaining PA, the *provider* is *solely* responsible for the cost of the service.

- Prior authorization does not guarantee reimbursement. Refer to the Billing section of this handbook for more information on reimbursement.
- If the provider delivers a service that requires PA without first obtaining PA, the *provider* is *solely* responsible for the cost of the service, according to HFS 107.02(3)(c), Wis. Admin. Code. The provider may not bill the recipient or his or her family, according to HFS 106.02(11).
- HFS 107.02(3), Wis. Admin. Code, provides the DHFS with authority to require PA for covered services. It also provides procedures for PA documentation and departmental review criteria used to authorize coverage and reimbursement.

Reasons for Prior Authorization

According to HFS 107.02(3)(b), Wis. Admin. Code, PA procedures are designed to:

- Safeguard against unnecessary or inappropriate care and services.
- Safeguard against excess payment.
- Assess the quality and timeliness of services.
- Determine if less expensive alternative care, services, or supplies are usable.
- Promote the most effective and appropriate use of available services and facilities.
- Curtail misutilization practices of providers and recipients.

Additional Prior Authorization Information

More information about the following PA issues can be found in the All-Provider Handbook, including:

- Provider responsibilities.
- Prior authorization for emergency services.
- Recipient retroactive eligibility.
- Recipient appeal rights.
- Prior authorization for out-of-state providers.

DHFS Review Criteria for Prior Authorization

According to HFS 107.02(3)(e), Wis. Admin. Code, the DHFS considers the following in determining whether to approve or disapprove a request for PA:

- The medical necessity of the service, as defined in HFS 101.03(96m), Wis. Admin. Code.
- The appropriateness of the service.
- The cost of the service.
- The frequency of furnishing the service.
- The quality and timeliness of the service.
- The extent to which less expensive alternative services are available.
- The effective and appropriate use of available services.
- The misutilization practices of providers and recipients.
- The limitations imposed by pertinent federal or state statutes, rules, regulations or interpretations, including Medicare or private insurance guidelines.
- The need to ensure that care of unacceptable quality receives closer professional scrutiny.

- The flagrant or continuing disregard of established state and federal policies, standards, fees, or procedures.
- The professional acceptability of unproven or experimental care, as determined by DHFS consultants.

Prior Authorization Does Not Guarantee Reimbursement

Prior Authorization is one step in determining whether Wisconsin Medicaid will reimburse a covered service. Provider certification, recipient eligibility, and medical necessity, as well as all other state and federal requirements, must be met before reimbursement is made by Wisconsin Medicaid according to HFS 107.02(3)(i), Wis. Admin. Code.

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Change of Provider

Personal care PAs may not be transferred from one provider to another, according to HFS 107.02(3)(g), Wis. Admin. Code. When a new provider takes over personal care services for a Medicaid recipient, that provider is required to submit a new PA request form for that recipient with all attachments included. The original provider must also amend its PA to end on date of discharge. Refer to the Amending an Approved Prior Authorization portion of this section for more information on amending approved PAs.

Change or End of Ownership

When an agency goes out of business, it is required to submit PA amendments to discontinue all active PAs, indicating the recipient's last date of service. Refer to the All-Provider Handbook for detailed information on voluntary termination of Wisconsin Medicaid participation.